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Fifth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2014-2015

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered an advance version of the statement submitted by the Secretary-General (A/C.5/68/3), in accordance with rule 153 of the rules of procedure of the General Assembly, on the administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for 2013 (A/68/30). During its consideration of the report, the Advisory

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Committee met with representatives of the Secretary-General and of the Commission, who provided additional information and clarification.

II. Conditions of service of the Professional and higher categories

Base/floor salary scale

2. In paragraph 3 of his statement, the Secretary-General states that the comparator civil service's pay freeze, originally introduced with effect from 1 January 2011, was further extended to 31 December 2013. As a result, the gross levels of the General Schedule of the comparator did not change from the levels in 2010. However, changes in the federal tax schedule as of 1 January 2013 resulted in an increase of 0.19 per cent, in net terms, in the reference comparator pay level as compared with the net base salaries of United Nations officials at the midpoint of the salary scale effective 1 January 2012. That increase included the increase previously recommended by the Commission of 0.12 per cent, as at 1 January 2013, on which the General Assembly did not take action (see Assembly resolution 67/257, sect. B). Therefore, in accordance with the established methodology, the Commission recommended an upward adjustment of 0.19 per cent in the common salary scale for staff in the Professional and higher categories with effect from 1 January 2014. The increase in the base/floor salary scale would be implemented by increasing base salaries by 0.19 per cent through a consolidation of the requisite number of post adjustment multiplier points into base salaries on a no-loss/no-gain basis.

3. The Secretary-General states that the annual financial implications arising from such an adjustment in the base/floor salary scale for the United Nations and other participating organizations of the common system referred to in the report of the Commission amount to approximately $95,000. The Secretary-General further indicates that there are no financial implications for duty stations with a low post adjustment where net salaries would otherwise fall below the level of the new base salaries and that the amount of $95,000 is in respect of the scale of separation payments (see A/C.5/68/3, para. 4).

4. Paragraphs 6 and 7 of the statement indicate that the financial implications with respect to the adjustment to the base/floor salary scale for the proposed programme budget of the United Nations and the proposed budgets of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2014-2015 have been estimated at $28,900, $5,300 and $1,700, respectively. The financial implications for peacekeeping operations have been estimated at $11,000 for the financial period from 1 July 2013 to 30 June 2014 and at $22,000 for the financial period from 1 July 2014 to 30 June 2015.

Education grant special measures

5. At the request of the Human Resources Network of the Chief Executives Board for Coordination, the International Civil Service Commission considered introducing special measures for the levels of the education grant in Belgium and Morocco.

6. With respect to Belgium, the Commission noted that the fees charged by the three English-curriculum schools leading to the International Baccalaureate Diploma were far above the existing maximum admissible expenses. The Commission expected that, without the special measures, English-speaking staff might choose to send their children to schools outside Belgium, for example in the United Kingdom of Great Britain and Northern Ireland or France where special measures were in effect with respect to eight English-curriculum schools. Furthermore, the Commission was of the view that without adequate coverage of education-related costs provided in organizations' budgets, staff mobility to Belgium might be impeded.

7. Supporting the request of the Chief Executives Board, the Commission recommended to the General Assembly that a special education grant measure, allowing reimbursement of the education-related expenses up to the maximum established for the United States dollar inside the United States zone, be introduced for three English-curriculum schools in Brussels, namely, the International School of Brussels, the British School of Brussels and St. John's International School, as from the academic year in progress on 1 January 2013 (see A/C.5/68/3, para. 12).

8. With respect to Morocco, the Commission noted that the percentage of claims above the maximum admissible expenses did not justify a review of the education grant level, as the excess of expenses over the maximum admissible expenses was primarily due to the one-time capital assessment fees payable by the staff member. In that connection, the Commission further noted that the reimbursement of capital assessment fees was covered by a separate procedure established by the Commission in 1997, and decided that no special measure was called for in that location (see A/C.5/68/3, para. 13).

9. Paragraphs 14 and 15 of the statement indicate that the financial implications of introducing the special measures for Belgium were estimated at $71,000 per annum for the United Nations common system. The financial implications with respect to the education grant special measures for Belgium have been estimated at $7,000 under the programme budget of the United Nations for the biennium 2012-2013 and at $14,000 under the proposed programme budget for the biennium 2014-2015.

III. Conditions of service of the General Service and other locally recruited categories

Survey of the best prevailing conditions of employment in Paris

10. Following its survey of the best prevailing conditions of employment in Paris, the Commission recommended a salary scale that is 2.19 per cent lower than the current Paris salary scale. The new net salary scale and the levels of dependency allowances recommended by the Commission to the executive heads of the Paris-based organizations are reproduced in annex V to the report of the Commission (A/68/30). No immediate savings are associated with the Commission's recommendations on the revised salary scale, as the scale is expected to be implemented only with respect to staff recruited on or after the date of promulgation by the Paris-based organizations.

11. Paragraphs 17 and 18 of the statement indicate that the financial implications related to the proposed dependency allowances are estimated at approximately $70,000 per annum for the United Nations common system. The financial implications for the programme budget of the United Nations for the biennium 2012-2013 and for the proposed programme budget for the biennium 2014-2015 have been estimated at $600 and $1,700, respectively, based on the personnel statistics of the Chief Executives Board as at 31 December 2012 for United Nations staff in Paris (see CEB/2013/HLCM/HR/12).

Survey of the best prevailing conditions of employment in Montreal

12. The Commission, on the basis of its survey of the best prevailing conditions of employment in Montreal, recommended a revised salary scale 1.22 per cent higher than the existing salary scale in Montreal. The revised net salary scale and the levels of dependency allowances recommended by the Commission to the executive heads of the Montreal-based organizations are reproduced in annex VI to the report of the Commission (A/68/30). Paragraphs 20 and 21 of the Secretary-General's statement indicate that the total annual financial implications of implementing the recommended salary scale and the revised dependency allowances were estimated at approximately $334,000 for the United Nations common system. The financial implications for the programme budget of the United Nations for the biennium 2012-2013 and the proposed programme budget for the biennium 2014-2015 have been estimated at $10,300 and $27,400, respectively, based on the personnel statistics of the Chief Executives Board as at 31 December 2012 for United Nations staff in Montreal (see CEB/2013/HLCM/HR/12).

IV. Estimated financial implications relating to the comprehensive review

13. The Secretary-General recalls that the General Assembly, in its resolution on the United Nations common system (67/257), requested the Commission to report on the progress, preliminary findings and administrative aspects of the comprehensive review of the compensation package for staff in the Professional and higher categories. According to the Secretary-General's statement, no provision has been included under the proposed programme budget for the biennium 2014-2015 for the above activity, and it has become apparent that the Commission does not have the capacity to absorb the additional requirements arising from undertaking the comprehensive review. The Secretary-General estimates that additional gross requirements in the amount of $606,000 would be required under section 31, jointly financed administrative activities. Given that the United Nations share in the costs of the jointly financed budget of the Commission is 32.3 per cent for the biennium 2014-2015, additional requirements estimated at $195,700 would arise for the proposed programme budget of the United Nations for the biennium 2014-2015 under section 31. The activities underlying the proposed additional requirements are detailed in paragraph 23 of the statement, followed by a summary table of the additional requirements that is reproduced below.

Financial implications of the comprehensive review of the compensation package for the proposed programme budget of the United Nations

(United States dollars)

Object of expenditure	*Biennium 2014-2015 (jointly financed)*	*United Nations regular budget share (32.3 per cent)*
Consultants	326 000	105 300
Travel of representatives	232 000	74 900
Travel of staff	48 000	15 500
Total	**606 000**	**195 700**

14. The Advisory Committee notes that the additional requirements of $606,000 proposed by the Secretary-General for the biennium 2014-2015 under section 31 arising from undertaking the comprehensive review requested by the General Assembly in resolution 67/257 are related to estimated expenditures on consultants and travel of representatives and staff.

V. Conclusion

15. The Advisory Committee notes the financial implications and proposals reflected in paragraphs 25 and 26 of the Secretary-General's statement. **The Committee has no objection to the financial implications and proposals.**

16. The Advisory Committee further notes that the Secretary-General requests the General Assembly to approve additional gross resource requirements in the amount of $606,000 under section 31, jointly financed administrative activities, and an additional appropriation in the amount of $195,700 in respect of the United Nations share in the proposed programme budget for the biennium 2014-2015, which would represent a charge against the contingency fund. **The Committee has no objection to the Secretary-General's approach, but expects that all possible efforts will be made to achieve cost efficiencies with respect to the proposed additional requirements of $606,000, and updated information reflected in the performance reports for the biennium 2014-2015.**